



U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT  
HOMEOWNERSHIP CENTER  
633 17TH ST.  
DENVER, COLORADO 80202-3607

April 25, 2003

Dear Mortgagees and Builders:

The attached submission requirements were developed to provide simplified instructions for the following **HUD** approval procedures for the seventeen state Denver HOC jurisdiction:

- ◆ Condominium Proposed Construction
- ◆ Condominium Under Construction or existing less than 1 year
- ◆ Annexation for additional phases to approved condominium projects
- ◆ Existing Condominiums
- ◆ Condominium converted from rental housing - operating association
- ◆ Condominium converted from rental housing - non-operating association
- ◆ Veterans Affairs (VA) Condominium Reciprocity
- ◆ Master Appraisal Report (MAR) - 5 or more lots/units

**Note:** The revised submission procedures do not change any of the requirements of documentation that the mortgagee is required to maintain per HUD Handbooks 4145.1, REV-2; 4150.1, REV-1, Chapter 11; 4150.2, Chg-1; and Mortgagee Letter 95-11.

Please send requests for condominium or master appraisal approval to:

HUD/FHA  
Program Support Branch  
Condo Approval Processing  
801 Cherry St., 25<sup>th</sup> Floor  
Fort Worth, Texas 76102

If we may be of further assistance, please contact the Program Support Branch, Fort Worth, Texas, at (817) 978-5525, fax number (817) 978-6002.

Sincerely,

A handwritten signature in cursive script that reads "Jane E. Hall".

Jane Hall, Director  
Processing and Underwriting Division

# CONDOMINIUM PROPOSED CONSTRUCTION CHECKLIST

(New development and no construction has begun)

*The following documents must be submitted for proposed construction approval consideration:*

- ◆ **Cover Letter** - (List all documents enclosed) State requested action, name and location (street address, city, county, state and zip code) of the condominium; description of the project including type of structure(s), number of units and common facilities; and name, address and phone number of a contact person.
- ◆ **Preliminary condominium site plan** - final or recorded map is acceptable.
- ◆ **Location Map** - identify location of the condominium.
- ◆ **Condominium legal documents** - the following exhibits are required:
  - ◆ Declaration of Covenants, Conditions and Restrictions - **recorded**
  - ◆ Articles of Incorporation - **filed with state**
  - ◆ By-laws - **signed by Homeowners Association (HOA)**
- ◆ **Attorney's Opinion Letter** stating that all the HOA legal documents have been properly filed or recorded and are consistent with legal policies set out in HUD Handbook 4265.1, Change 4, Appendix 24, and comply with all state and local laws.
- ◆ **Project's proposed annual budget** including adequate reserves for maintenance, repair and replacement of the common elements.
- ◆ **Proposed management plan.**
- ◆ **Evidence** (on appropriate company letterhead) **that an escrow account, surety bond or bank irrevocable letter of credit** has been established with a balance equal to 1 ½ times the cost for completion of the unfinished common areas.
- ◆ **Certification** (on appropriate company letterhead) from the HOA or direct endorsement lender that the project meets the 51% owner occupancy requirement.

## CONDOMINIUMS UNDER CONSTRUCTION OR EXISTING LESS THAN 1 YEAR CHECKLIST

*The following documents must be submitted for approval consideration:*

- ◆ **Cover Letter** - (List all documents enclosed) State requested action; name and address (street address, city, county, state and zip code) of the condominium; description of the project including type of structure(s), number of units and common facilities; and name, address and phone number of a contact person.
- ◆ **Location Map** - identify location of condominiums.
- ◆ **Recorded Project Plat Map and/or Air Lot Survey** which adequately identifies units; complete with engineer's stamp, date and signature.
- ◆ **Developer's general plan** and schedule of development.
- ◆ **Condominium legal documents** - the following exhibits are required:
  - ◆ Declaration of Covenants, Conditions and Restrictions - **recorded**
  - ◆ Articles of Incorporation - **filed with state**
  - ◆ By-laws **signed by Homeowners Association (HOA)**
- ◆ **Attorney's Opinion Letter** stating that all the HOA legal documents have been properly filed or recorded and are consistent with legal policies set out in HUD Handbook 4265.1, Change 4, Appendix 24, and comply with all state and local laws.
- ◆ **Proposed condominium association budget** including adequate reserves for maintenance, repair and replacement of the common elements.
- ◆ **Evidence** (on appropriate company letterhead) **that an escrow account, surety bond or bank irrevocable letter of credit** has been established with a balance equal to 1 ½ times the cost for completion of the unfinished common areas.
- ◆ **Management agreement or proposed management plan.**
- ◆ **Minutes of last two meetings of the homeowners association**, if applicable.
- ◆ **Certification** (on appropriate company letterhead) from the HOA or direct endorsement lender that the project meets the 51% owner occupancy requirement.
- ◆ **Month and year completed**, if applicable.

## CONDOMINIUM ANNEXATION FOR ADDITIONAL PHASES CHECKLIST

*The following documents must be submitted for condominium annexation approval consideration:*

- ◆ ***Cover Letter*** - (List all documents enclosed) State requested action; name and location (street address, city, county, state and zip code) of the condominium; description of the annexed building(s) including type of structure(s), number of units and common facilities; and name, address and phone number of a contact person.
- ◆ ***Recorded Annexation Agreement or Amended Declaration.***
- ◆ ***Preliminary Plat Map*** - identify location of condominium.
- ◆ ***Evidence*** (on appropriate company letterhead) ***that an escrow account, surety bond or bank irrevocable letter of credit*** has been established with a balance equal to 1 ½ times the cost for completion of the unfinished common areas (specific to the annexation).
- ◆ ***Certification*** (on appropriate company letterhead) from the HOA or direct endorsement lender that the additional phase(s) meets the 51% owner occupancy requirement.
- ◆ ***Month and year completed***, if applicable.

# EXISTING CONDOMINIUM CHECKLIST

(Project completed more than one year)

*The following documents must be submitted for condominium approval consideration:*

- ◆ **Cover Letter** - (List all documents enclosed) State requested action; name and location (street address, city, county, state and zip code) of the condominium; description of the project including type of structure(s), number of units and common facilities; and name, address and phone number of a contact person.
- ◆ **Location Map** - identify location of condominium.
- ◆ **Recorded project plat, map and/or air lot survey** which adequately identifies units.
- ◆ **Condominium legal documents** - the following exhibits are required:
  - ◆ Declaration of Covenants, Conditions and Restrictions - **recorded**
  - ◆ Articles of Incorporation - **filed with state**
  - ◆ By-laws - **signed by Homeowners Association (HOA)**
- ◆ **Attorney's Opinion Letter** stating that all the HOA legal documents have been properly filed or recorded and are consistent with legal policies set out in HUD Handbook 4265.1, Change 4, Appendix 24, and comply with all state and local laws.
- ◆ **Condominium association budget and financial statement** including adequate reserves for maintenance, repair and replacement of the common elements - current and previous year.
- ◆ **Minutes of last two meetings** of the homeowners association.
- ◆ **Certification** (on appropriate company letterhead) from the HOA or direct endorsement lender that the project meets the 51% owner occupancy requirement.
- ◆ **Month and year completed.**

# CONDOMINIUM CONVERSIONS-Operating Association

## (Definition of Operating Association - The developer has relinquished control of the association to the homeowners.)

Units in a rental project which are to be converted to condominium ownership may not be insured until the project has been converted over one year. Conversion takes place when all the legal documents establishing the condominium have been recorded.

The one year restriction does not apply to:

- 1) Rental projects in which the conversion was sponsored by a bona fide tenants organization representing a majority of the households in the project.
- 2) Non-rental properties such as a school, church, or warehouse converted to condominium, or
- 3) A unit being sold to a purchaser who was a tenant in the project at the time of the conversion as evidenced by a fully executed contract and a rental agreement.

Without one of the above restrictions being met, there will be no consideration given to the project and the package will be returned.

## The following documents must be submitted for approval consideration from the Lender, Homeowners Association (HOA) or management company:

1. **Cover letter** - (List all documents enclosed) State requested action; name and location (street address, city, county, state and zip code) of condominium; description of the project including type of structure(s), number of units and common facilities; and name, address and phone number of a contact person.
2. **Condominium legal documents** -the following exhibits are required:
  - ◆ Declaration of Covenants, Conditions and Restrictions - **recorded**
  - ◆ Articles of Incorporation - **filed with state**
  - ◆ By-laws - **signed by HOA**
3. **Attorney's opinion letter** stating that all the HOA legal documents have been properly filed or recorded and are consistent with legal policies set forth in HUD Handbook 4265.1, Change 4, Appendix 24, and comply with all state and local laws.
4. **Recorded plat, plan, survey or map**, including amendments of project.
5. **Location map** - identify location of the condominium.
6. **Condominium association budget and financial statement including adequate reserves** for maintenance, repair and replacement of the common elements - current and previous year.
7. **Minutes of the last two meetings** of the HOA.
8. **Management company report** - if applicable.
9. **Certification** (on appropriate company letterhead) from the HOA or management company that the project meets the 51% owner occupancy requirement.

**Project containing multiple buildings may be phased for marketing purposes only (51% owner occupancy required for each building). HIGH RISE APARTMENT BUILDINGS CANNOT BE PHASED.**

**Additional land or buildings may not be annexed to the condominium project after our initial approval.**

# CONDOMINIUM CONVERSIONS - Non-Operating Association

**(Definition of Non-Operating Association - Some original units remain unsold and developer may not have relinquished control of the condominium to the homeowners.)**

Units in a rental project which are to be converted to condominium ownership may not be insured until the project has been converted over one year. Conversion takes place when all the legal documents establishing the condominium have been recorded for one year. The one year restriction does not apply to:

- 1) Rental projects in which the conversion was sponsored by a bona fide tenants organization representing a majority of the households in the project.
- 2) Non-rental properties such as a school, church, or warehouse converted to condominium, or
- 3) A unit being sold to a purchaser who was a tenant in the project at the time of the conversion as evidenced by a fully executed contract and a rental agreement. (The 51% owner occupancy requirement applies.)

Without one of the above restrictions being met, there will be no consideration given to the project and the package will be returned.

**The following documents must be submitted for approval consideration from the Lender, Homeowners Association (HOA) or Management Company:**

1. **Cover letter** (List all documents enclosed) State requested action; name and location (street address, city, county, state and zip code) of condominium; description of the project including type of structure(s), number of units and common facilities; and name, phone number of a contact person.
2. **Condominium legal documents** - The following exhibits are required:
  - ◆ Declaration of Covenants, Conditions and Restrictions - **recorded**
  - ◆ Articles of Incorporation - **filed w/state**
  - ◆ By-laws - **signed by HOA**
3. **Attorney's opinion letter** stating that all the HOA legal documents have been properly filed or recorded and are consistent with legal policies set forth in HUD Handbook 4265.1, Change 4, Appendix 24 and comply with all state and local laws.
4. **Recorded plat, map and/or air lot survey which adequately identifies units.**
5. **Location map** - identify location of condominium.
6. **Condominium association budget and financial statement** including adequate reserves for maintenance, repair and replacement of the common elements - current and previous year.
7. **Management agreement and report**- if applicable.
8. **Minutes of last two association meetings**, if applicable.
9. **Evidence of completion** of the project (including the common elements) i.e. final municipal approval and occupancy authorization.
10. **Certification** (on appropriate company letterhead) from the HOA or management company that the project meets the 51% owner occupancy requirement.

**Projects containing multiple buildings may be phased for marketing purposes only (51% owner occupancy for each building). HIGH RISE APARTMENT BUILDINGS CANNOT BE PHASED**

**Additional land or buildings may not be annexed to the condominium project after our initial approval.**

## **VETERANS AFFAIRS (VA) - CONDOMINIUM RECIPROCITY CHECKLIST**

***The following documents must be submitted for VA reciprocity approval consideration:***

- ◆ ***VA's letter of approval*** or a copy of ***VA's computer printout***.
- ◆ ***Certification*** (on appropriate company letterhead) from the HOA or direct endorsement lender that the project meets the 51% owner occupancy requirement.
- ◆ ***Condominium association budget and financial statement*** including adequate reserves for maintenance, repair and replacement of the common elements – current and previous year.
- ◆ ***Location map*** - identify location of the condominium.
- ◆ ***Street address, city, county, state and zip code*** of the property.

**Note:** Even though FHA accepts VA's approval of the condominium project, by statute, FHA is required to perform an environmental assessment of the project. This additional requirement does add extra time to the approval process.



## **MASTER APPRAISAL REPORT (MAR) CHECKLIST**

**(Minimum of 5 lots/units)**

***The following documents must be submitted for MAR approval consideration:***

- ◆ ***FANNIE MAE Form #1004***, Uniform Residential Appraisal Report for each model.
- ◆ ***HUD Form #91322*** (MAR) with all applicable blocks and blanks filled in and signed by the direct endorsement underwriter.
- ◆ ***Master Appraisal Information Sheet*** (see attachment).
- ◆ ***HUD Form #91322.1*** (attachment to MAR if applicable) signed by the direct endorsement underwriter.
- ◆ ***HUD Form #91322.2*** (attachment to MAR if applicable) signed by the direct endorsement underwriter.

## MASTER APPRAISAL (MA) INFORMATION SHEET

MA # \_\_\_\_\_ (Assigned by FHA)

**LENDER NAME:** \_\_\_\_\_ **\* SPONSOR** \_\_\_\_\_

Lender Contact: \_\_\_\_\_

Lender ID# \_\_\_\_\_ Sponsor ID# \_\_\_\_\_

Phone Number \_\_\_\_\_ \*If applicable

Address \_\_\_\_\_  
\_\_\_\_\_

**HUD approved CONDO ID Number:** \_\_\_\_\_ **Phase #** \_\_\_\_\_

Project Name and Phase: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Number of Models: \_\_\_\_\_ Number of Lots/Units \_\_\_\_\_

### ASSIGNED APPRAISER

Name \_\_\_\_\_ ID#: \_\_\_\_\_  
(as shown in FHA Connection) (as shown in FHA Connection)

### ASSIGNED INSPECTOR

Name \_\_\_\_\_ ID#: \_\_\_\_\_  
(as shown in FHA Connection) (as shown in FHA Connection)

**HUD/FHA CONTACT** \_\_\_\_\_

Phone Number \_\_\_\_\_

Date MAR Assigned \_\_\_\_\_